

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**CORRECTED  
FISCAL NOTE**

**HB 2744 - SB 2672**

February 23, 2010

**SUMMARY OF BILL:** Increases the fine from \$40 to \$50 for violation of the open container law when the driver has a blood alcohol concentration greater than 0.01 percent. Extends the law to passengers in the vehicle. Passengers in vehicles for hire or the living quarters of a house coach or trailer are exempted from the open container law.

**ESTIMATED FISCAL IMPACT:**

On February 3, 2010, we issued a fiscal note for this bill indicating an *increase to state revenue of \$28,700, and increase to state expenditures considered not significant, an increase to local revenue of \$1,500, and an increase to local expenditures of not significant*. The original fiscal note also indicated an *other fiscal impact with a net fiscal effect of zero resulting from the transfer of federal funds according to the Department of Transportation (TDOT) as a result of passing this bill*. On February 23, 2010, we received additional information from TDOT. Based on this information, the fiscal impact for this bill is estimated as follows.

**(CORRECTED)**

**Increase State Revenue – \$28,700**

**Increase State Expenditures – Not Significant**

**Increase Local Revenue – \$1,500**

**Increase Local Expenditures – Not Significant**

**Other Fiscal Impact -** According to the Department of Transportation (TDOT), an average of \$1,500,000 has been withheld each year by the U.S. Department of Transportation over the nine year period beginning in 2001. Currently, funds are transferred from certain highway related programs, National Highway System, Surface Transportation System, and Interstate Maintenance, to the section 402 Programs (alcohol countermeasures, occupant protection, police traffic services, emergency medical services, traffic records, motorcycle safety, pedestrian and bicycle safety, non-construction aspects of roadway safety, speed control, etc.). This withholding and transfer would stop with passage of this bill when TDOT notifies the Secretary of the U.S. Department of Transportation of passage of a law meeting the requirements of federal Title 23 CFR Part 1270. The net fiscal impact will be an increase to state revenue of approximately \$1,500,000 per year.

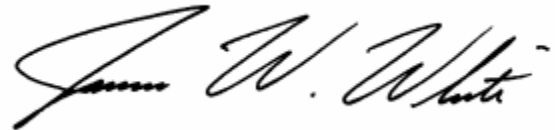
**HB 2744 - SB 2672 (CORRECTED)**

Assumptions:

- According to the Department of Safety (DOS), there are approximately 650 violations of the open container law committed by drivers each year.
- Twenty-five percent will not pay due to indigence.
- The total increase in revenue from violations by drivers is estimated to be \$4,875 ( $\$10 \times 650 \times 75\%$ ).
- DOS estimates the number of violations by passengers to be 675 per year, resulting in a total increase in revenue of \$25,300 ( $675 \times \$50 \times 75\%$ ).
- The total increase in revenue is estimated to be approximately \$30,200. Local governments will receive a five percent court clerk fee totaling \$1,500. The remaining 95 percent will increase state revenue by \$28,700.
- Any cost can be accommodated within existing state and local government resources without additional costs.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/jaw